

**Kentucky Department of Insurance  
Financial Impact Statement**

- I. Mandating health insurance coverage of BR25 / SB249, is not expected to materially increase administrative expenses of insurers, based upon our analysis of the proposed mandate and our experience with similar health insurance benefits. The mandate prohibits an Insurer and PBMs from requiring an insured purchasing a prescription drug to pay a cost sharing amount greater than the total amount paid to an In-Network pharmacy. Insurers and PBM's can no longer prohibit pharmacies from selling a less-expensive alternative drug or prohibit the pharmacist from providing information regarding the efficacy of a less expensive drug. The proposed legislation for all insured health benefit plan coverages, excluding Medicaid and state employees, is not expected to materially increase administrative expenses of Insurers.

The proposed BR25 / SB249, as described above, is not expected to materially increase premiums, based upon our analysis of the proposed mandate and our experience with similar health insurance benefits.

The proposed BR25 / SB249, as described above, is not expected to materially increase the total cost of health care in the Commonwealth, based upon our analysis of the proposed mandate and our experience with similar health insurance benefits.

Note: We're unable to make a specific determination on the potential fiscal impact for the proposed health mandate in SB249 due to a lack of available data. However, we would not expect the proposed health mandate to have a material impact on premiums primarily because it appears to reinforce federal laws regarding "pharmacy gag clauses". Kentucky Insurers and PBMs were already prohibited from requiring an insured purchasing a prescription drug to pay cost sharing greater than the amount the insured would pay if he or she were to purchase the drug without coverage under a health benefit plan.

Disclosure: Due to the material disclosure requirements required therein, we must acknowledge that the content of this report may not comply with Actuarial Standard of Practice No. 41 Actuarial Communications.

  
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LEWIS & ELLIS, INC.  
February 26, 2020

 3/17/2020  
(Signature of Commissioner/Date)  
FIS Actuarial Form 6-03

